

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* IDA TOWNSHIP	County* MONROE	Type* TOWNSHIP	MuniCode* 581080
Opinion Date-Use Calendar* 8-13-08	Audit Submitted-Use Calendar* 9-04-08	Fiscal Year End Month* 06	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/> ?	18. Are there reported deficiencies? <input checked="" type="checkbox"/> 19. If so, was it attached to the audit report?

General Fund Revenue:	<input type="checkbox"/> \$637,571.00
General Fund Expenditure:	<input type="checkbox"/> \$866,461.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	<input type="checkbox"/> \$544,663.00
Governmental Activities Long-Term Debt (see instructions):	<input type="checkbox"/> \$1,800,000.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* DEBORAH A.	Last Name* SABO	Ten Digit License Number* 1101025211		
CPA Street Address* ONE S. MONROE STREET	City* MONROE	State* MI	Zip Code* 48161	Telephone* 7342417200
CPA Firm Name* COOLEY HEHL WOHLGAMT	Unit's Street Address* P.O. BOX 239, 3016 LEWIS A	Unit's City* IDA	Unit's Zip* 48140	

IDA TOWNSHIP
Monroe County, Michigan

ANNUAL FINANCIAL REPORT

June 30, 2008

IDA TOWNSHIP

Table of Contents *June 30, 2008*

Independent Auditor's Report	1
Management's Discussion and Analysis	2-8
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	11-12
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Assets	13
Statement of Revenues, Expenditures and Changes in Fund Balances	14-15
Reconciliation of the Statement of Revenues, Expenditures and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	16
Agency Fund - Statement of Fiduciary Net Assets	17
Notes to Financial Statements	18-28
Required Supplemental Information:	
General Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual	29-30
Sewer Receiving Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual	31
Other Supplemental Information:	
Water District #1 Debt Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance -	
Budget and Actual	32
Nonmajor Governmental Funds:	
Combining Balance Sheet	33-34
Combining Statement of Revenues, Expenditures, and Changes in Fund	
Balances	35-36
Liquor Law Enforcement Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual	37

IDA TOWNSHIP

Table of Contents (Continued) *June 30, 2008*

Other Supplemental Information (Continued):

Improvement Revolving Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	38
Building Department Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	39
Budget Stabilization Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	40
Ida Branch Library Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	41
Fire Department Millage Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	42
Agency Fund:	
Statement of Changes in Assets and Liabilities	43



COOLEY HEHL
WOHLGAMUTH & CARLTON
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA
David K. Hehl, CPA
Robert W. Wohlgamuth, CPA
Peter H. Carlton, CPA
Matthew D. Hehl, CPA
Deborah A. Sabo, CPA
Nicklaus W. Calkins, CPA

One South Monroe Street • Monroe, Michigan 48161-2230
Telephone: (734) 241-7200 • Fax: (734) 241-2637
www.chwccpa.com

Members:
American Institute of Certified Public Accountants
Michigan Association of Certified Public Accountants
Division for CPA Firms American Institute of
Certified Public Accountants

Independent Auditor's Report

Township Board
Ida Township
Monroe County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ida Township, Monroe County, Michigan as of and for the year ended June 30, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Ida Township, Monroe County, Michigan management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ida Township, Monroe County, Michigan as of June 30, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 8 and 29 through 31, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ida Township, Monroe County, Michigan basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cooley Hehl Wohlgamuth & Carlton

August 13, 2008

IDA TOWNSHIP

Management's Discussion and Analysis *June 30, 2008*

This section of Ida Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended June 30, 2008. Please read it in conjunction with the Township's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Ida Township financially as a whole. The ***Government-Wide Financial Statements***, which include the Statement of Net Assets and the Statement of Activities, provide information about the activities of the Township as a whole and presents both a short-term and a long-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The ***Fund Financial Statements*** report the Township's operations in more detail than the ***Government-Wide Financial Statements*** by providing information about the Township's most significant funds - the General Fund, the Sewer Receiving Fund, and the Water District #1 Debt Fund, with all other funds presented in one column as nonmajor funds. The remaining statements, the Statement of Fiduciary Net Assets, presents financial information about activities for which the Township acts solely as an agent for the benefit of the public. The following summary illustrates how the various parts of this annual report are arranged:

Management's Discussion and Analysis (MD&A) *(Required Supplemental Information)*

Basic Financial Statements

Government-Wide Financial Statements *Fund Financial Statements*

Notes to the Basic Financial Statements

Budgetary Information for Major Funds
(Required Supplemental Information)

Other Supplemental Information

IDA TOWNSHIP

Management's Discussion and Analysis *June 30, 2008*

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities (pages 9-10), which appear first in the Township's financial statements, report information on the Township as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

The Statement of Net Assets and Statement of Activities report the governmental activities for the Township, which encompass all of the Township's services, including general government services, public safety, public works, culture and recreation. Property taxes, state grants, charges for services, and interest finance most of these activities.

Fund Financial Statements

The Township's Fund Financial Statements (pages 11-17) provide detailed information about the most significant or "major" funds - not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's two types of funds, governmental and fiduciary, use different accounting approaches as described below:

Governmental funds - All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation format in the financial section on pages 13 and 16.

Fiduciary funds - An Agency Fund is used to account for assets held by the Township as an agent for the collection and disbursement of property taxes.

IDA TOWNSHIP

Management's Discussion and Analysis June 30, 2008

Government-Wide Financial Analysis

Recall that the Statement of Net Assets provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net assets as of June 30, 2008 and 2007.

Table 1:

Condensed Statement of Net Assets

	Governmental Activities	
	2008	2007
Current and other assets	\$2,930,517	\$3,252,185
Capital assets	<u>3,799,978</u>	<u>3,841,862</u>
Total Assets	6,730,495	7,094,047
Current and other liabilities	160,850	92,407
Long-term liabilities	<u>1,800,000</u>	<u>2,113,683</u>
Total Liabilities	<u>1,960,850</u>	<u>2,206,090</u>
Net Assets		
Invested in capital assets, net of related debt	1,999,978	1,728,179
Restricted for:		
Debt service	1,977,207	2,104,789
Capital projects		-
Public works	87,837	136,600
Fire protection	91,497	85,082
Building code enforcement	2,628	-
Liquor law enforcement	887	1,344
Recreation and cultural	15,444	10,654
Unrestricted	<u>594,167</u>	<u>821,309</u>
Total Net Assets	<u>\$4,769,645</u>	<u>\$4,887,957</u>

As depicted in Table 1, the Township's net assets were \$4,769,645 at June 30, 2008. Of this amount, a positive \$594,167 was unrestricted. This amount represents the *accumulated* results of all past years' operations. The unrestricted net asset balance is used for working capital and cash flow needs as well as to provide for future uncertainties. It means that if we had to pay off all of our bills *today*, including all of our noncapital liabilities we could with our current resources. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net assets for the fiscal year ended June 30, 2008 and 2007.

IDA TOWNSHIP

Management's Discussion and Analysis June 30, 2008

Government-Wide Financial Analysis - Concluded

Table 2:

Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Revenues		
Program revenues:		
Charges for services	\$ 207,336	\$ 263,599
Operating grants and contributions	2,055	1,861
Capital grants and contributions	-	1,648
	<u>209,391</u>	<u>267,108</u>
General revenues:		
Property taxes	286,123	351,844
State grants	339,717	334,298
Other general revenues	<u>152,034</u>	<u>173,270</u>
	<u>777,874</u>	<u>859,412</u>
Total Revenues	987,265	1,126,520
Functions/Program Expenses		
Legislative	10,111	9,801
General government	322,707	323,112
Public safety	222,461	182,353
Public works	434,643	232,004
Recreation and cultural	28,091	12,619
Interest on long-term debt	<u>87,564</u>	<u>103,426</u>
Total Expenses	<u>1,105,577</u>	<u>863,315</u>
Increase (Decrease) in Net Assets	<u>\$ (118,312)</u>	<u>\$ 263,205</u>

As indicated in Table 2, the cost of *all governmental* activities this year was \$1,105,577. Of this amount, \$209,391 was subsidized with revenue generated from charges for services, grants and other contributions with the remaining costs financed with general revenues.

The Township experienced a decrease in net assets of \$118,312. The decrease in net assets differs from the change in fund balance. A reconciliation of the change in fund balances to the change in net assets appears on page 16.

IDA TOWNSHIP

Management's Discussion and Analysis June 30, 2008

Fund Financial Analysis

As noted earlier, the Township uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether Ida Township is being held accountable for the resources taxpayers and others provide to it and may give more insight into the Township's overall financial health.

As the Township completed this year, the governmental funds reported a combined fund balance of \$1,338,188 which is a decrease of \$252,283 from last year. The changes by major and nonmajor funds are as follows:

	<u>General Fund</u>	<u>Sewer Receiving Fund</u>	<u>Water District #1 Debt Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund balances - Beginning of year	\$772,499	\$128,421	\$534,157	\$155,394	\$1,590,471
Increase (decrease)	<u>(227,836)</u>	<u>(51,149)</u>	<u>11,571</u>	<u>15,131</u>	<u>(252,283)</u>
Fund balances - End of year	<u>\$544,663</u>	<u>\$ 77,272</u>	<u>\$545,728</u>	<u>\$170,525</u>	<u>\$1,338,188</u>

The Township's General Fund balance increase is due to many factors. The tables that follow assist in illustrating the financial activities of the General Fund.

Revenues	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Percent Change</u>
Property taxes and special assessments	\$201,368	\$192,376	4.67 %
Licenses and permits	16,049	13,369	20.05 %
State grants	339,717	334,298	1.62 %
Charges for services	42,987	57,065	(24.67)%
Interest	17,271	24,291	(28.90)%
Other	20,179	15,006	34.47%
Operating transfers in	<u>9,054</u>	<u>21,977</u>	(58.80)%
	<u>\$646,625</u>	<u>\$658,382</u>	(1.79)%

IDA TOWNSHIP

Management's Discussion and Analysis *June 30, 2008*

Fund Financial Analysis – Concluded

The increase in licenses and permits is the net of several items: cablevision fees increased, quarry revenue decreased, and an increase for a special use application. Charges for services decreased due to a decrease in the number of fire runs. Interest revenue decreased due to lower interest rates and a lower cash balance. Prior year transfers were higher due to a transfer from the Improvement Revolving Fund for a reimbursement to the General Fund for a payable.

Expenditures	June 30, 2008	June 30, 2007	Percent Change
Legislative	\$ 10,111	\$ 9,801	3.16 %
General government	244,502	244,363	0.06 %
Public safety	44,066	52,917	(16.73)%
Public works	350,221	174,820	100.33 %
Recreation and cultural	117,667	25,858	355.05 %
Other	51,641	57,114	(9.58)%
Debt service	48,253	32,383	49.01 %
Operating transfers out	8,000	1,976	304.86 %
	<u>\$874,461</u>	<u>\$599,232</u>	45.93 %

Public safety expenditures were decreased due to a decrease for community promotions. Public works increased due to approximately \$164,000 more in road expenditures. Recreation and cultural expenditures increased due to the completion of the park. The increase in the transfers out was due to \$7,500 for the Fire Millage Fund.

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires the Township Board to adopt the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. Over the course of the year, the Township revises its budget as it attempts to deal with the unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements. Revisions to the General Fund original budget were as follows:

The revisions made to the original budget and the final amended budgets were relatively minor. Original revenues of \$723,025 was not amended. The revenue budget included a Federal grant of \$65,000 for a playground/park; however, the grant was not received this year. The original budget for expenditures was \$964,673; the final budget was \$964,173. The amendments were for drains, roads, parks and recreation, capital outlay, and contingency.

IDA TOWNSHIP

Management's Discussion and Analysis *June 30, 2008*

Capital Asset and Debt Administration

Capital Assets

At June 30, 2008, the Township had \$4,828,318 invested in a broad range of capital assets, including land, land improvements, building and improvements, park equipment and improvements, machinery and equipment, vehicles, and a water line. This amount represents a net increase (including additions and disposals) of \$106,641 from last year. The additions were for the completion of the park construction. Depreciation for this year totaled \$148,525. Detailed information regarding capital assets is included in Note 8 to the financial statements.

Debt

At June 30, 2008, the Township had \$1,800,000 for a contract liability. The water bonds continue to be paid through collections of special assessments. Detailed information regarding debt is included in Note 5 to the financial statements.

Development of the 2008-09 Fiscal Year Budget

Our elected officials consider many factors when setting the Township's 2008-09 fiscal year budget. The revenue budget for the 2008-09 fiscal year is consistent with the prior year. The Township budgeted revenues as close to actual as possible with the revenues remaining stable when compared to the 2007-08 actual revenues. The original General Fund appropriations for 2008-09 are \$795,866. There is an increase for project costs and a reduction for capital outlay.

Contacting Ida Township's Business Office

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have questions about this report or need additional information, contact the Ida Township Clerk, 3016 Lewis Avenue, P.O. Box 239, Ida, MI 48140.

IDA TOWNSHIP*Statement of Net Assets**June 30, 2008*

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$908,030
Investments	265,423
Cash with fiscal agent	8,682
Receivables:	
Accounts and accrued interest	52,484
Special assessment	1,547,924
Prepaid expense	36,705
Due from other governmental units	111,269
Depreciable capital assets, net	<u>3,799,978</u>
Total Assets	<u>6,730,495</u>
Liabilities	
Accounts payable	111,120
Accrued interest payable	13,250
Customer deposits	1,296
Performance bonds	35,184
Long-term liabilities:	
Due within one year	120,000
Due in more than one year	<u>1,680,000</u>
Total Liabilities	<u>1,960,850</u>
Net Assets	
Invested in capital assets, net of related debt	1,999,978
Restricted for:	
Debt service	1,977,207
Public works	87,837
Fire protection	91,497
Building code enforcement	2,628
Liquor law enforcement	887
Recreation and cultural	15,444
Unrestricted	<u>594,167</u>
Total Net Assets	<u>\$4,769,645</u>

See accompanying notes to the basic financial statements.

IDA TOWNSHIP

Statement of Activities

Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Governmental Activities:					Governmental Activities
Legislative	\$10,111	\$0	\$0	\$0	(\$10,111)
General government	322,707	24,626	0	0	(298,081)
Public safety	222,461	50,949	2,055	0	(169,457)
Public works	434,643	131,761	0	0	(302,882)
Recreation and cultural	28,091	0	0	0	(28,091)
Interest on long-term debt	87,564	0	0	0	(87,564)
Total Governmental Activities	<u><u>\$1,105,577</u></u>	<u><u>\$207,336</u></u>	<u><u>\$2,055</u></u>	<u><u>\$0</u></u>	(896,186)
General Revenues:					
Property taxes					286,123
State grants					339,717
Interest and investment earnings					136,304
Other					<u>15,730</u>
Total General Revenues					<u>777,874</u>
Change in Net Assets					(118,312)
Net Assets - Beginning of year					<u>4,887,957</u>
Net Assets - End of year					<u><u>\$4,769,645</u></u>

See accompanying notes to the basic financial statements.

IDA TOWNSHIP

*Governmental Funds
Balance Sheet
June 30, 2008*

	General	Sewer Receiving	Water District #1 Debt
Assets			
Cash and cash equivalents	\$510,877	\$25,588	\$175,741
Investments	0	0	265,423
Cash with fiscal agent	0	7,313	1,369
Receivables:			
Accounts and accrued interest	8,000	44,371	0
Special assessment	0	0	1,547,924
Prepaid expenditures	31,116	0	0
Due from other funds	3,176	0	0
Due from other governmental units	111,269	0	0
Total Assets	\$664,438	\$77,272	\$1,990,457
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$83,295	\$0	\$0
Due to other funds	0	0	0
Deferred revenue	0	0	1,444,729
Customer deposits	1,296	0	0
Performance bonds	35,184	0	0
Total Liabilities	119,775	0	1,444,729
Fund Balances			
Reserved for streetlights	10,565	0	0
Reserved for prepaid expenditures	31,116	0	0
Reserved for sludge removal	0	17,232	0
Reserved for debt service	0	0	545,728
Unreserved:			
Undesignated, reported in:			
General Fund	502,982	0	0
Special Revenue Funds	0	60,040	0
Capital Projects Fund	0	0	0
Total Fund Balances	544,663	77,272	545,728
Total Liabilities and Fund Balances	\$664,438	\$77,272	\$1,990,457

See accompanying notes to the basic financial statements.

Other Nonmajor Governmental Funds	Totals
\$195,824	\$908,030
0	265,423
0	8,682
113	52,484
0	1,547,924
5,589	36,705
0	3,176
0	111,269
<u>\$201,526</u>	<u>\$2,933,693</u>
\$27,825	\$111,120
3,176	3,176
0	1,444,729
0	1,296
0	35,184
31,001	1,595,505
0	10,565
0	31,116
0	17,232
0	545,728
0	502,982
79,028	139,068
91,497	91,497
<u>170,525</u>	<u>1,338,188</u>
<u>\$201,526</u>	<u>\$2,933,693</u>

IDA TOWNSHIP

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

June 30, 2008

Total Fund Balances - Governmental Funds		\$1,338,188
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital assets	\$4,828,318	
Accumulated depreciation	<u>(1,028,340)</u>	
		3,799,978
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred revenue in the funds		1,444,729
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Contract liability	(1,800,000)	
Accrued interest	<u>(13,250)</u>	
		<u>(1,813,250)</u>
Total Net Assets - Governmental Activities		<u>\$4,769,645</u>

See accompanying notes to the basic financial statements.

IDA TOWNSHIP

*Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2008*

	<u>General</u>	<u>Sewer Receiving</u>	<u>Water District #1 Debt</u>
Revenues			
Property taxes and special assessments	\$201,368	\$0	\$109,035
Licenses and permits	16,049	0	0
State grants	339,717	0	0
Charges for services	42,987	131,761	0
Interest	17,271	6,095	107,271
Other revenue	20,179	0	0
	<hr/>	<hr/>	<hr/>
Total Revenues	637,571	137,856	216,306
Expenditures			
Legislative	10,111	0	0
General government	244,502	0	0
Public safety	44,066	0	0
Public works	350,221	37,936	735
Recreation and cultural	117,667	0	0
Other	51,641	0	0
Debt service	48,253	151,069	204,000
	<hr/>	<hr/>	<hr/>
Total Expenditures	866,461	189,005	204,735
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenue Over Expenditures	(228,890)	(51,149)	11,571
Other Financing Sources (Uses)			
Operating transfers in	9,054	0	0
Operating transfers out	(8,000)	0	0
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	1,054	0	0
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(227,836)	(51,149)	11,571
Fund Balances - Beginning of year	772,499	128,421	534,157
	<hr/>	<hr/>	<hr/>
Fund Balances - End of year	<u>\$544,663</u>	<u>\$77,272</u>	<u>\$545,728</u>

See accompanying notes to the basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$84,755	\$395,158
18,249	34,298
12,055	351,772
0	174,748
5,667	136,304
14,709	34,888
135,435	1,127,168
0	10,111
0	244,502
118,010	162,076
0	388,892
1,240	118,907
0	51,641
0	403,322
119,250	1,379,451
16,185	(252,283)
8,000	17,054
(9,054)	(17,054)
(1,054)	0
15,131	(252,283)
155,394	1,590,471
\$170,525	\$1,338,188

IDA TOWNSHIP

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended June 30, 2008*

Net Change in Fund Balances - Total Governmental Funds	((\$252,283))
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense.	
Depreciation expense	(\$148,525)
Capital outlay	<u>106,641</u>
	(41,884)
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.	2,075
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(139,903)
Repayments of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt).	<u>313,683</u>
Change in Net Assets of Governmental Activities	<u>(\$118,312)</u>

See accompanying notes to the basic financial statements.

IDA TOWNSHIP

Agency Fund
Statement of Fiduciary Net Assets
June 30, 2008

		Tax Collection Agency Fund
Assets		
Cash		<u>\$1,500</u>
Liabilities and net assets		
Due to other governmental units		<u>\$1,500</u>

See accompanying notes to the basic financial statements.

IDA TOWNSHIP

Notes to Financial Statements *Year Ended June 30, 2008*

Note 1 Description of the Township and Reporting Entity

The Township operates under a locally elected five member Board form of government.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township. For the Township, this includes general operations, library, fire, debt, and construction of the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township has no component units.

Note 2 Summary of Significant Accounting Policies

The financial statements of Ida Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Township's accounting policies.

Basis of Presentation

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. All of the Township's government-wide activities are considered to be governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, and other items not properly included among program revenues.

Separate financial statements are provided for governmental funds and agency funds, even though the latter are excluded from the government-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

IDA TOWNSHIP

Notes to Financial Statements *Year Ended June 30, 2008*

Note 2 Summary of Significant Accounting Policies (Continued) Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

When both restricted and unrestricted resources are available of use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Agency fund statements also are reported using the economic resources measurement focus and the cash basis of accounting.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. The General Fund accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The Sewer Receiving Fund accounts for collection of tap-in, operation and maintenance, and user charges for the Ida-Raisinville Sewer System.

The Water District #1 Debt Fund accounts for the collection of special assessments used to pay the cost of a \$2,155,000 bond issue.

IDA TOWNSHIP

Notes to Financial Statements *Year Ended June 30, 2008*

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Township reports the following nonmajor governmental funds:

The Liquor Law Enforcement Fund, Improvement Revolving Fund, Building Department Fund, Budget Stabilization Fund, Ida Branch Library Fund, and Fire Department Millage Fund are the Township's nonmajor governmental funds. These funds are used to account for specific revenue sources that are restricted for a particular purpose.

C. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. Taxes are considered delinquent February 15 of the following year. Summer taxes are billed July 1 and due by September 14.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of one thousand dollars. The Township has elected not to retroactively report infrastructure assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvement	20 years
Buildings and buildings improvements	50 years
Machinery and equipment	5-20 years
Vehicles	8 years
Water line	50 years

DueTo/From Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column of the statement of net assets.

IDA TOWNSHIP

Notes to Financial Statements Year Ended June 30, 2008

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans are recognized as an expenditure on the governmental fund financial statements when due.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Reserves and Designations - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

- D. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.
- E. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2008.
- F. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by resolution of the Township Board.

IDA TOWNSHIP

Notes to Financial Statements *Year Ended June 30, 2008*

Note 2 Summary of Significant Accounting Policies (Concluded)

Basis of Presentation (Concluded)

F. Budgetary Policies (Concluded)

The Township follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to June 30, the Treasurer submits to the Township Board a proposed operating budget for the fiscal year commencing on July 1.
2. A public hearing is conducted during June to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. During the year, the budget is monitored and amendments to the budget resolution are made when deemed necessary.
5. Lapsing of Appropriations - At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.

Note 3 Stewardship, Accountability and Compliance

The Township shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds.

In the required supplemental information, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

During the year ended June 30, 2008, expenditures exceeded final budgeted amounts in the following funds:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Liquor Law Enforcement Fund	\$ 2,463	\$ 2,512	\$ (49)
Fire Department Millage Fund	80,443	91,100	(10,657)

Note 4 Property Tax

The Township bills and collects its own property taxes and also taxes for the County of Monroe, Ida Public Schools, Summerfield Schools, Monroe County Intermediate School District and Monroe County Community College. Tax collections are accounted for in the Tax Collection Agency Fund. The Township tax levy for the 2007-2008 fiscal year was spread as follows:

General Fund	0.8197
Fire Department Millage Fund	0.4889
	<u>1.3086</u>

The Township's 2007 property taxes, levied on December 1, 2007 on assessed valuation as of December 31, 2006, were due and payable by February 14, 2008. Summer taxes are billed July 1 and are due September 14. Taxable values, which amounted to \$173,471,364 are based on a percentage of the fair market value of the assessed property. Property tax revenue is recorded when the taxes are levied.

IDA TOWNSHIP

Notes to Financial Statements Year Ended June 30, 2008

Note 4 Property Tax (Concluded)

For the year ended June 30, 2008, the Township also billed and retained \$42,128 as administrative fees for the above tax collection.

Note 5 Long-Term Debt

The following is a summary of long-term debt outstanding as of June 30, 2008:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Original Maturity Dates</u>	<u>Amount of Issue</u>	<u>Balance Outstanding</u>
Contract liability for:					
Water Supply System Bonds					
(Township of Ida System No. 1) 2.000%-					
Series 2004	4.875%	6/23/04	5/01/04-23	\$2,155,000	<u>\$1,800,000</u>

Changes in bond principal during the 2007-08 fiscal period are summarized as follows:

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2008</u>	<u>Due In One Year</u>
Sewage Disposal					
Refunding Bonds					
(Ida/Raisinville #1)	\$ 147,190	\$ -	\$147,190	\$ -	\$ -
Limited Tax Water					
Supply System Bonds					
(Township of Ida System No. 1)					
Series 2004	1,920,000	-	120,000	1,800,000	120,000
Library and Township					
Hall - Loan Payable	<u>46,493</u>	<u>-</u>	<u>46,493</u>	<u>-</u>	<u>-</u>
	<u>\$2,113,683</u>	<u>\$ -</u>	<u>\$313,683</u>	<u>\$1,800,000</u>	<u>\$120,000</u>

IDA TOWNSHIP

Notes to Financial Statements Year Ended June 30, 2008

Note 5 Long-Term Debt (Concluded)

The following is the repayment schedule for the June 30, 2008 balance:

Fiscal Year	Interest Due		Principal Due	Totals
	November 1	May 1	May 1	
2009	\$39,750	\$39,750	\$120,000	\$199,500
2010	37,500	37,500	120,000	195,000
2011	35,100	35,100	120,000	190,200
2012	32,700	32,700	120,000	185,400
2013	30,300	30,300	120,000	180,600
2014	27,750	27,750	120,000	175,500
2015	25,200	25,200	120,000	170,400
2016	22,650	22,650	120,000	165,300
2017	19,950	19,950	120,000	159,900
2018	17,250	17,250	120,000	154,500
2019	14,400	14,400	120,000	148,800
2020	11,550	11,550	120,000	143,100
2021	8,700	8,700	120,000	137,400
2022	5,850	5,850	120,000	131,700
2023	2,925	2,925	120,000	125,850
	<u>\$331,575</u>	<u>\$331,575</u>	<u>\$1,800,000</u>	<u>\$2,463,150</u>

The annual requirements to pay principal and interest on the long-term debt outstanding at June 30, 2008 are as follows:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 120,000	\$ 79,500	\$ 199,500
2010	120,000	75,000	195,000
2011	120,000	70,200	190,200
2012	120,000	65,400	185,400
2013	120,000	60,600	180,600
2014-2018	600,000	225,600	825,600
2019-2023	<u>600,000</u>	<u>86,850</u>	<u>686,850</u>
	<u>\$1,800,000</u>	<u>\$663,150</u>	<u>\$2,463,150</u>

IDA TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2008*

Note 6 Interfund Payables and Receivables

Such balances at June 30, 2008 were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund:		
Budget Stabilization Fund	\$ 754	\$ -
Liquor Law Enforcement Fund	356	-
Building Department Fund	2,066	-
Budget Stabilization Fund:		
General Fund	-	754
Liquor Law Enforcement Fund:		
General Fund	-	356
Building Department Fund:		
General Fund	-	<u>2,066</u>
	<u>\$3,176</u>	<u>\$3,176</u>

Interfund balances reflect temporary loans and reimbursements due in the normal course of interfund activity.

Note 7 Interfund Transfers

Interfund transfers at June 30, 2008, consisted of the following:

	<u>Transfers Out</u>		
	<u>General Fund</u>	<u>Budget Stabilization Fund</u>	<u>Fire Department Millage Fund</u>
<u>Transfers In:</u>			<u>Total</u>
General Fund	\$0	\$754	\$8,300
Ida Branch			
Library Fund	500	0	0
Fire Department			
Millage Fund	<u>7,500</u>	<u>0</u>	<u>0</u>
	<u>\$8,000</u>	<u>\$754</u>	<u>\$8,300</u>
	<u>\$17,054</u>	<u>\$17,054</u>	<u>\$17,054</u>

The transfer from the Budget Stabilization Fund to the General Fund represents the return of interest revenue. The transfer from the General Fund to the Fire Department Millage Fund was for the retainer fee from Raisinville Township. The transfer from the Fire Department Millage Fund to the General Fund is for the reimbursement of expenditures. The transfer from the General Fund to the Ida Branch Library Fund was for reimbursement of expenditures.

IDA TOWNSHIP

Notes to Financial Statements Year Ended June 30, 2008

Note 8

Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Assets not being depreciated:				
Land	\$115,188	\$0	\$0	\$115,188
Construction in progress	25,195	106,641	131,836	0
	<u>140,383</u>	<u>106,641</u>	<u>131,836</u>	<u>115,188</u>
Capital assets being depreciated:				
Land improvements	7,466	0	0	7,466
Building and building improvements	1,414,972	0	0	1,414,972
Park equipment and improvements	0	131,836	0	131,836
Machinery and equipment	356,623	0	0	356,623
Vehicles	514,680	0	0	514,680
Water line	2,287,553	0	0	2,287,553
	<u>4,581,294</u>	<u>131,836</u>	<u>0</u>	<u>4,713,130</u>
Total capital assets	4,721,677	238,477	131,836	4,828,318
Less accumulated depreciation for:				
Land improvements	(2,557)	(395)	0	(2,952)
Building and building improvements	(298,621)	(36,374)	0	(334,995)
Park equipment and improvements	0	(4,944)	0	(4,944)
Machinery and equipment	(177,699)	(36,901)	0	(214,600)
Vehicles	(400,938)	(24,160)	0	(425,098)
Water line	0	(45,751)	0	(45,751)
	<u>(879,815)</u>	<u>(148,525)</u>	<u>0</u>	<u>(1,028,340)</u>
Total accumulated depreciation	(879,815)	(148,525)	0	(1,028,340)
Net capital assets	<u>\$3,841,862</u>	<u>\$89,952</u>	<u>\$131,836</u>	<u>\$3,799,978</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$ 26,564
Public safety	60,385
Public works	45,751
Recreation and cultural	<u>15,825</u>
Total governmental activities	<u>\$148,525</u>

IDA TOWNSHIP

Notes to Financial Statements Year Ended June 30, 2008

Note 9 Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At June 30, 2008, Ida Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers acceptances of the United States banks.

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Board has adopted an investment policy authorizing certain types of investments and authorized three depositories: Monroe Bank and Trust, Cadre Financial Services, Inc., and National City Bank.

Interest rate risk. The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Township's investment policy.

Concentration of credit risk. The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

Custodial credit risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an outside party. The Township has \$1,183,267 invested in certificates of deposit, checking accounts, and money markets. The Township's deposits are insured by the FDIC in the amount of \$222,754, with uninsured deposits of \$960,513. The Township's deposits are at institutions with an established record of fiscal health and service. The Township Board approves and designates a list of authorized depository institutions. The Township's investment policy does not address deposit risk.

Foreign currency risk. The Township is not authorized to invest in investments which have this type of risk.

IDA TOWNSHIP

Notes to Financial Statements *Year Ended June 30, 2008*

Note 10 Pension Plan

Ida Township provides pension benefits for all of its employees through a defined contribution plan administered by Municipal Retirement Systems, Inc., which is affiliated with Travelers Insurance Company. The Plan became effective July 1, 1991. The Township contributes 7.65% of the employees' wages, and another 7.65% is withheld from the employees' wages and contributed. The contributions are 100% vested immediately.

The cost for the current fiscal year services was \$12,841 (7.65% of covered payroll) for the Township and the employees, for a total pension contribution for the year of \$25,682. The Township also paid an administrative fee of \$190. The contribution for the year was based on an estimated payroll of \$167,856. The total Township payroll for the fiscal year was \$175,673.

Note 11 Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman's compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

IDA TOWNSHIP

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
Revenues				
Taxes and Special Assessments:				
Property taxes	\$140,000	\$140,000	\$142,148	\$2,148
Special assessments	17,000	17,000	17,092	92
Administrative fee	38,000	38,000	42,128	4,128
	<u>195,000</u>	<u>195,000</u>	<u>201,368</u>	<u>6,368</u>
Licenses and Permits				
Business	5,000	5,000	6,229	1,229
Non-business	8,000	8,000	9,820	1,820
	<u>13,000</u>	<u>13,000</u>	<u>16,049</u>	<u>3,049</u>
Federal grants	65,000	65,000	0	(65,000)
State grants	330,000	330,000	339,717	9,717
Charges for Services:				
Fire runs	35,000	35,000	32,700	(2,300)
Rentals	5,700	5,700	8,577	2,877
Other	1,725	1,725	1,710	(15)
	<u>42,425</u>	<u>42,425</u>	<u>42,987</u>	<u>562</u>
Interest	17,200	17,200	17,271	71
Other revenue	2,100	2,100	20,179	18,079
Total Revenues	<u>664,725</u>	<u>664,725</u>	<u>637,571</u>	<u>(27,154)</u>
Expenditures				
Legislative:				
Township board	10,111	10,111	10,111	0
General Government:				
Supervisor	24,115	24,115	24,052	63
Assessor	35,528	35,528	32,674	2,854
Elections	2,000	3,750	2,599	1,151
Audit	14,000	12,875	12,875	0
Attorney	7,300	7,300	9,180	(1,880)
Clerk	36,138	35,888	34,009	1,879
Board of review	1,291	1,291	870	421
General administration	37,150	37,150	31,969	5,181
Treasurer	33,463	33,463	31,780	1,683
Buildings and grounds	52,700	52,700	54,638	(1,938)
Cemetery	12,037	12,037	9,856	2,181
	<u>255,722</u>	<u>256,097</u>	<u>244,502</u>	<u>11,595</u>

IDA TOWNSHIP

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
Expenditures (Concluded)				
Public Safety:				
Fire department	\$43,690	\$43,690	\$30,191	\$13,499
Planning and zoning	12,300	15,500	13,875	1,625
	<u>55,990</u>	<u>59,190</u>	<u>44,066</u>	<u>15,124</u>
Public Works:				
Drains	1,500	9,500	9,448	52
Roads	332,000	262,500	307,741	(45,241)
Mowing	14,500	14,500	17,000	(2,500)
Streetlighting	16,000	16,000	16,032	(32)
	<u>364,000</u>	<u>302,500</u>	<u>350,221</u>	<u>(47,721)</u>
Recreation and Cultural:				
Parks and recreation	166,150	115,150	116,249	(1,099)
Library	1,700	2,060	1,418	642
	<u>167,850</u>	<u>117,210</u>	<u>117,667</u>	<u>(457)</u>
Debt Service:				
Principal	0	0	46,493	(46,493)
Interest	0	0	1,760	(1,760)
	<u>0</u>	<u>0</u>	<u>48,253</u>	<u>(48,253)</u>
Other:				
Pension	12,500	12,500	11,367	1,133
Insurance	46,000	43,500	38,238	5,262
Social security/Medicare	2,500	2,500	2,036	464
Capital outlay	40,000	155,000	0	155,000
Contingency	10,000	5,565	0	5,565
	<u>111,000</u>	<u>219,065</u>	<u>51,641</u>	<u>167,424</u>
Total Expenditures	<u>964,673</u>	<u>964,173</u>	<u>866,461</u>	<u>97,712</u>
Excess (Deficiency) of Revenues Over Expenditures	(299,948)	(299,448)	(228,890)	70,558
Other Financing Sources (Uses)				
Operating transfers in	58,300	58,300	9,054	(49,246)
Operating transfers out	0	0	(8,000)	(8,000)
Total Other Financing Sources (Uses)	<u>58,300</u>	<u>58,300</u>	<u>1,054</u>	<u>(57,246)</u>
Net Change in Fund Balance	(241,648)	(241,148)	(227,836)	13,312
Fund Balance - Beginning of year	<u>717,348</u>	<u>717,348</u>	<u>772,499</u>	<u>55,151</u>
Fund Balance - End of year	<u>\$475,700</u>	<u>\$476,200</u>	<u>\$544,663</u>	<u>\$68,463</u>

IDA TOWNSHIP

*Sewer Receiving Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services:				
Maintenance fees	\$18,000	\$18,000	\$35,552	\$17,552
Tap-in fees	13,200	13,200	0	(13,200)
Debt service/capital improvement fees	61,000	61,000	96,209	35,209
	<u>92,200</u>	<u>92,200</u>	<u>131,761</u>	<u>39,561</u>
Interest	<u>1,500</u>	<u>1,500</u>	<u>6,095</u>	<u>4,595</u>
Total Revenues	<u>93,700</u>	<u>93,700</u>	<u>137,856</u>	<u>44,156</u>
Expenditures				
Public works:				
Sewer maintenance	38,000	38,000	37,936	64
Debt service:				
Principal	147,190	147,190	147,190	0
Interest and fees	5,835	5,835	3,879	1,956
	<u>153,025</u>	<u>153,025</u>	<u>151,069</u>	<u>1,956</u>
Total Expenditures	<u>191,025</u>	<u>191,025</u>	<u>189,005</u>	<u>2,020</u>
Excess (Deficiency) of Revenues Over Expenditures	(97,325)	(97,325)	(51,149)	46,176
Other Financing Sources				
Operating transfers in	<u>70,000</u>	<u>70,000</u>	<u>0</u>	<u>(70,000)</u>
Net Change in Fund Balance	<u>(27,325)</u>	<u>(27,325)</u>	<u>(51,149)</u>	<u>(23,824)</u>
Fund Balance - Beginning of year	<u>136,233</u>	<u>136,233</u>	<u>128,421</u>	<u>(7,812)</u>
Fund Balance - End of year	<u>\$108,908</u>	<u>\$108,908</u>	<u>\$77,272</u>	<u>(\$31,636)</u>

IDA TOWNSHIP

Water District #1 Debt Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessments	\$92,000	\$92,000	\$109,035	\$17,035
Interest	92,000	92,000	107,271	15,271
Other revenue	5,000	5,000	0	(5,000)
Total Revenues	189,000	189,000	216,306	27,306
Expenditures				
Public works	1,300	1,300	735	565
Debt service:				
Principal	120,000	120,000	120,000	0
Interest and fees	84,000	84,000	84,000	0
	204,000	204,000	204,000	0
Total Expenditures	205,300	205,300	204,735	565
Net Change in Fund Balance	(16,300)	(16,300)	11,571	27,871
Fund Balance - Beginning of year	540,339	540,339	534,157	(6,182)
Fund Balance - End of year	\$524,039	\$524,039	\$545,728	\$21,689

IDA TOWNSHIP

*Nonmajor Governmental Funds
Combining Balance Sheet
Year Ended June 30, 2008*

				<u>Special Revenue Funds</u>		
				<u>Liquor Law Enforcement</u>	<u>Improvement Revolving</u>	<u>Building Department</u>
Assets						
	Cash and cash equivalents		\$887		\$37,956	\$2,676
	Accrued interest		0		113	0
	Prepaid expenditures		356		0	2,066
	Total Assets		<u>\$1,243</u>		<u>\$38,069</u>	<u>\$4,742</u>
Total Liabilities and Fund Balances						
Liabilities						
	Accounts payable		\$0		\$0	\$48
	Due to other funds		356		0	2,066
	Total Liabilities		356		0	2,114
Fund Balances						
	Unreserved		887		38,069	2,628
	Total Fund Balances		<u>887</u>		<u>38,069</u>	<u>2,628</u>
	Total Liabilities and Fund Balances		<u>\$1,243</u>		<u>\$38,069</u>	<u>\$4,742</u>

		Capital Projects Fund	
Budget Stabilization	Ida Branch Library	Fire Department Millage	Total Nonmajor Governmental Funds
\$22,754	\$15,444	\$116,107	\$195,824
0	0	0	113
0	0	3,167	5,589
<u>\$22,754</u>	<u>\$15,444</u>	<u>\$119,274</u>	<u>\$201,526</u>
\$0	\$0	\$27,777	\$27,825
754	0	0	3,176
754	0	27,777	31,001
22,000	15,444	91,497	170,525
22,000	15,444	91,497	170,525
<u>\$22,754</u>	<u>\$15,444</u>	<u>\$119,274</u>	<u>\$201,526</u>

IDA TOWNSHIP

*Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2008*

	<u>Special Revenue Funds</u>		
	<u>Liquor Law Enforcement</u>	<u>Improvement Revolving</u>	<u>Building Department</u>
Revenues			
Property taxes	\$0	\$0	\$0
Licenses and permits	0	0	18,249
State grants	2,055	0	0
Interest	0	1,755	0
Other revenue	0	0	8,777
	<hr/>	<hr/>	<hr/>
Total Revenues	2,055	1,755	27,026
Expenditures			
Public safety	2,512	0	24,398
Recreation and cultural	0	0	0
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,512	0	24,398
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	(457)	1,755	2,628
Other Financing Sources (Uses)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	0	0	0
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(457)	1,755	2,628
Fund Balances - Beginning of year	1,344	36,314	0
	<hr/>	<hr/>	<hr/>
Fund Balances - End of year	\$887	\$38,069	\$2,628
	<hr/>	<hr/>	<hr/>

		Capital Projects Fund	
Budget Stabilization	Ida Branch Library	Fire Department Millage	Total Nonmajor Governmental Funds
\$0	\$0	\$84,755	\$84,755
0	0	0	18,249
0	0	10,000	12,055
754	513	2,645	5,667
0	5,017	915	14,709
754	5,530	98,315	135,435
0	0	91,100	118,010
0	1,240	0	1,240
0	1,240	91,100	119,250
754	4,290	7,215	16,185
0	500	7,500	8,000
(754)	0	(8,300)	(9,054)
(754)	500	(800)	(1,054)
0	4,790	6,415	15,131
22,000	10,654	85,082	155,394
\$22,000	\$15,444	\$91,497	\$170,525

IDA TOWNSHIP

Liquor Law Enforcement Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
State grants:				
Liquor license fees	\$1,800	\$1,800	\$2,055	\$255
Total Revenues	1,800	1,800	2,055	255
Expenditures				
Public safety:				
Liquor inspection	2,463	2,463	2,512	(49)
Net Change in Fund Balance	(663)	(663)	(457)	206
Fund Balance - Beginning of year	1,344	1,344	1,344	0
Fund Balance - End of year	<u>\$681</u>	<u>\$681</u>	<u>\$887</u>	<u>\$206</u>

IDA TOWNSHIP

Improvement Revolving Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$1,000	\$1,000	\$1,755	\$755
Expenditures				
Public works	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Net Change in Fund Balance	(29,000)	(29,000)	1,755	30,755
Fund Balance - Beginning of year	<u>66,817</u>	<u>66,817</u>	<u>36,314</u>	<u>(30,503)</u>
Fund Balance - End of year	<u><u>\$37,817</u></u>	<u><u>\$37,817</u></u>	<u><u>\$38,069</u></u>	<u><u>\$252</u></u>

IDA TOWNSHIP

Building Department Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Non-business licenses and permits	\$25,000	\$25,000	\$18,249	(\$6,751)
Other revenue	<u>0</u>	<u>0</u>	<u>8,777</u>	<u>8,777</u>
Total Revenues	25,000	25,000	27,026	2,026
Expenditures				
Public safety:				
Building inspector	<u>27,050</u>	<u>27,050</u>	<u>24,398</u>	<u>2,652</u>
Net Change in Fund Balance	(2,050)	(2,050)	2,628	4,678
Fund Balance - Beginning of year	<u>6,617</u>	<u>6,617</u>	<u>0</u>	<u>(6,617)</u>
Fund Balance - End of year	<u>\$4,567</u>	<u>\$4,567</u>	<u>\$2,628</u>	<u>(\$1,939)</u>

IDA TOWNSHIP

*Budget Stabilization Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2008*

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$890	\$890	\$754	(\$136)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenue Over Expenditures	890	890	754	(136)
Other Financing Uses				
Operating transfers out	<u>(890)</u>	<u>(890)</u>	<u>(754)</u>	<u>136</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance - Beginning of year	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$22,000</u></u>	<u><u>\$22,000</u></u>	<u><u>\$22,000</u></u>	<u><u>\$0</u></u>

IDA TOWNSHIP

*Ida Branch Library Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	\$100	\$100	\$0	(\$100)
Interest	100	100	513	413
Other revenue:				
Contributions	300	300	5,000	4,700
Other revenue	0	0	17	17
Total Revenues	500	500	5,530	5,030
Expenditures				
Recreation and cultural	1,200	1,700	1,240	460
Excess (Deficiency) of Revenues Over Expenditures	(700)	(1,200)	4,290	5,490
Other Financing Sources				
Operating transfers in	0	0	500	500
Net Change in Fund Balance	(700)	(1,200)	4,790	5,990
Fund Balance - Beginning of year	10,666	10,666	10,654	(12)
Fund Balance - End of year	\$9,966	\$9,466	\$15,444	\$5,978

IDA TOWNSHIP

*Fire Department Millage Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	\$74,000	\$74,000	\$84,755	\$10,755
State grants	0	0	10,000	10,000
Interest	2,300	2,300	2,645	345
Other revenue	20	20	915	895
Total Revenues	76,320	76,320	98,315	21,995
Expenditures				
Public safety:				
Other	53,840	42,979	56,035	(13,056)
Repairs and maintenance	14,000	35,069	35,065	4
Capital outlay	5,000	2,395	0	2,395
Total Expenditures	72,840	80,443	91,100	(10,657)
Excess (Deficiency) of Revenues Over Expenditures	3,480	(4,123)	7,215	11,338
Other Financing Sources (Uses)				
Operating transfers in	7,500	7,500	7,500	0
Operating transfers out	(8,300)	(8,300)	(8,300)	0
Total Other Financing Sources (Uses)	(800)	(800)	(800)	0
Net Change in Fund Balance	2,680	(4,923)	6,415	11,338
Fund Balance - Beginning of year	86,681	86,681	85,082	(1,599)
Fund Balance - End of year	<u>\$89,361</u>	<u>\$81,758</u>	<u>\$91,497</u>	<u>\$9,739</u>

IDA TOWNSHIP*Tax Collection Agency Fund
Statement of Changes in Assets and Liabilities**June 30, 2008*

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
Assets				
Cash	<u>\$3,752</u>	<u>\$4,067,316</u>	<u>\$4,069,568</u>	<u>\$1,500</u>
Liabilities				
Due to other governmental units	<u>\$3,752</u>	<u>\$4,067,316</u>	<u>\$4,069,568</u>	<u>\$1,500</u>



**COOLEY HEHL
WOHLGAMUTH & CARLTON**
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA
David K. Hehl, CPA
Robert W. Wohlgamuth, CPA
Peter H. Carlton, CPA
Matthew D. Hehl, CPA
Deborah A. Sabe, CPA
Nicklaus W. Calkins, CPA

One South Monroe Street • Monroe, Michigan 48161-2230
Telephone: (734) 241-7200 • Fax: (734) 241-2637
www.chwccpa.com

Members:
American Institute of Certified Public Accountants
Michigan Association of Certified Public Accountants
Division for CPA Firms American Institute of
Certified Public Accountants

Township Board
Ida Township
Monroe County, Michigan

In planning and performing our audit of the financial statements of Ida Township as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency and a deficiency that we consider to be a material weakness.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control:

General Ledger

One of the important parts of the system of checks and balances between the Clerk and Treasurer is the comparing of the month-end cash balances. Once the Treasurer reconciles the monthly bank statements, the Clerk needs to compare the results with the cash balances of the general ledger and reconcile any differences.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiency constitutes a material weakness.

Financial Statements

The Township does not have procedures in place to prepare financial statements in accordance with accounting principles generally accepted in the United States of America, including procedures to record accruals for revenues and expenditures, to track changes in capital assets, and to present required financial statement disclosures. As is the case with many smaller and medium-sized entities, the government has historically relied on independent external auditors to assist in the preparation of the government-wide financial statements and footnotes. As a result of this condition, the government lacks internal controls over the preparation of the financial statements in accordance with GAAP.

This communication is intended solely for the information and use of the Township Board, management, others within the Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


August 13, 2008